

READING THE S.G.W.U. FINANCIAL STATEMENTS

by Dr. Calvin C. Potter.

Balance sheet and revenue and expense are conventional financial statements. For those initiated in using them, a probing of their classifications can uncover intriguing patterns of financial management: the prevalence or lack of foresight; prudence or recklessness in the use of resources, and the margin of safety and flexibility in operations. For the uninitiated, however, I suspect financial statements are an enigma. For them, financial management is what financiers do. To some it is a matter of pot-bellied, cigar-chewing, fat-cats doling out loans -- that is, when they are not at a Board of Governors meeting. To others it is skinny, flint-hearted capitalists making speeches on the virtues of private enterprise and its benefits for the individual while squeezing blood from meek little men. To still others, financial management is a pagan exaltation of money and materialism instead of people and peace.

In all of these distortions there is an element of truth. Financial management does involve borrowing and lending, it does require that upon occasion the decision-maker be hard-nosed, and it does place a premium on efficiency and effectiveness. The distortion occurs because all of these matters evolve under a shroud of dollars that we see through very dimly. What I propose to do is pull back a flap of that shroud that veils the finances of Sir George Williams and talk about what is underneath.

Leonard Woolf -- the publisher, politician and distinguished author -- commented in the final volume of his autobiography that what he learnt about finance and accounts in his seven years in Ceylon enabled him to understand and control later the finances of Hogarth Press and so consciously to adopt the policy of limiting its operations and so resisting the fatal lure of expansion". Of course a publisher is not a university and the elitist policies of Leonard Woolf would not be those of SGWU, but an understanding of financial statements will serve the purposes of either.

The phrase used earlier was to understand and control'. Financial management forces one to see the operation as a whole and to recognize the dynamic interaction of its parts. Such a grasp of how things are related is a prerequisite for realistic planning of overall operations.

But even realistic planning has its element of disappointments. Some of the assumptions about decision variables such as potential registrants, fee level, per capita grants, allocation formulas, salary levels, etcetera, may turn out to be wrong. Or even if the budget committee is clairvoyant and right, some of the staff and academic administrators may be inexperienced and/or incompetent, or they may be neither but nevertheless pursue goals other than those approved by the university.

The nature of controls

Thus in every organization, particularly a multi-goal, multi-level one such as a university, there must be controls. Usually they have a dual form: operational controls and performance review. Operational control relates to the organization of the financial intelligence network to discover economically relevant data, spread them through the decision centres, use them, and review the benefits. This network is a planning and control



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system that in conjunction with people uses behavioural concepts, accounting methods, and data processing procedures and devices to control decision-per formance.

The other aspect of control is psychological in intent. It is control of the performance of decision-makers. For this purpose, plans and results are reported by responsibility centres such as faculties, departments, services, etcetera. Since such reporting is after the event, the system is one of 'post-control'. But by pin-pointing performance by responsibility there are moral and other optional forms of persuasion for the managers of under target centres to improve their decision performance in the future.

For planning and control the basic financial statements of balance sheet and revenue and expenditures are fundamental. Planning is the process of setting targets now for attainment in the future. Finance is the bridge between that present and future. The balance sheet is its embodiment. The classifications of that statement identify the major decision variables of the university's financial model for planning.

Two budgets - Operating and Capital

In planning its operations the university uses two budgets: one for operating expenditures, the other for capital. These two budgets determine the format of the SGWU balance sheet. It is in a double account form: a balance sheet for the operating fund and one for the capital fund. This basic distinction is because the university submits to the Department of Education each year two budgets, one for operating and one for capital.

The capital budget reflects past and future developments in the long-run plan. Its classification of assets are all major decision variables. The most important one is fixed assets. Changes in its sub-classifications (which are required because of different allocation formulas used in the assessment of need) record the planned and actual progress in resolving the university's physical constraints: the lack of land to create a campus; sub-normal square footage of building

per student which manifests itself in too large classes and insufficient choice of programs and class hours, and insufficient equipment which acerbates the problem of keeping abreast of present-day methods and requirements in some areas of science, engineering and computer technology.

Uses of capital in 1968-69

A comparison of the totals of the capital fund for 1968 - 69 reveals some progress was made in the fiscal year ended May 31st, 1969 in resolving physical constraints. Land was acquired for future expansion. It is reflected in the increase for the classification land. Also alteration, renovations and additions were made to buildings as is reflected in the amount for that classification. The library was extended, a new freight elevator was installed in the Hall Building, and houses that were acquired were adapted for Explorations One, and for the needs of the Department of Geography. These last activities also affected the amount in the classification furniture and equipment. In all, some \$600,000 was spent under its heading, including the provision for the Centre for Instructional Technology.

Deleted from the amount for furniture and equipment was the original cost of the computer and related equipment. This cost was the basis for an insurance claim: \$1,050,000 for the equipment destroyed and \$184,334 for subsequent building renovation costs. The claim became an asset in the capital fund entitled insurance claim.

The assets in the capital fund are valued at original cost. No subsequent adjustment is made to such cost for deterioration or appreciation of value. These latter would only be relevant in the event the university's concern were income measurement. But it is not. The concern is: what moneys were raised for capital purposes, and how were they spent. The asset side reveals this last, and it is a historic orientation -- that is, the dollars are added and stored until disposal of the asset without concern for the diminution of their purchasing power.

Sources of capital

The moneys that were raised and the

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obligations incurred in the process are reflected on the liability side of the capital fund. There are a variety of sources of funds for the university's capital fund activities. They range in the duration of their accommodation from very short-term to perpetuity, and in their interest cost from free to prime bank loan rates. The classification capital represents funds that have no cost of financing and that the university can use indefinitely. There are a number of different agencies and institutions which have furnished such funds, the principal one being the provincial government. Their accumulated separate contributions to the end of May 1969 are listed in the statement of capital.

In addition to the classification capital, there are other sources of financing for the capital fund. Recent capital expenditures, once they are approved by the Department of Education, have been financed by bond issues. The university negotiates independently with the source, but the Government of Quebec guarantees repayment out of moneys voted yearly in the Estimates. This method of financing has the advantage of reducing the direct amount of the Province's total indebtedness. But it does subject the university to an additional constraint in its expansion in that it is subject to the capacity or willingness of the market to absorb Quebec issued or guaranteed debt. In the fiscal year ended a serial issue of \$1,100,000 of term debt in the form of a mortgage bond secured by a

continued on page 4

**The University
financial
statements
for 1968-69
are printed inside**

Financial Statements – May 31, 1969

NOTES TO

FINANCIAL STATEMENTS

SIR GEORGE WILLIAMS UNIVERSITY BALANCE SHEET AS AT MAY 31, 1969 (with comparative figures for 1968)

ASSETS			LIABILITIES		
			OPERATING FUND		
	1969	1968		1969	1968
Cash	\$ 58,087	\$ 20,226	Bank indebtedness	\$ 1,550,000	\$ 1,678,887
Marketable securities at cost (market value 1969 \$21,600 - 1968 \$22,200)	26,912	26,912	Accounts payable and accrued liabilities	1,623,315	729,647
Accounts receivable (Note 2)	973,448	889,197		3,173,315	2,408,534
Inventories at the lower of cost and net realizable value	490,020	503,049	Unexpended balance of research grants	186,507	114,764
Prepaid expenses	68,010	51,089	Funds held in trust	223,478	238,768
Due from capital fund	2,216,154	1,790,387	Unearned tuition fees	583,770	502,076
	<u>\$ 3,832,631</u>	<u>\$ 3,280,860</u>	Retained income (deficit) (Note 1)	(334,439)	16,718
				<u>\$ 3,832,631</u>	<u>\$ 3,280,860</u>
			CAPITAL FUND		
Cash - restricted (Note 4)	\$ 263,321	\$ -	Accounts payable and accrued liabilities	\$ 187,490	\$ 70,546
Insurance Claims (Note 3)	1,234,334	-	Bank loan	-	4,116,160
Fixed assets, at cost			Mortgage payable	17,225	39,819
Land	4,169,530	3,982,759	7 3/4% Series "A" Mortgage bonds to mature at \$110,000 per annum until October 15, 1978 (Note 4)	1,100,000	-
Buildings	19,302,774	19,216,120	Due to operating fund	2,216,154	1,790,387
Furniture and equipment	6,098,496	6,318,365		3,520,869	6,016,912
Leasehold improvements	430,416	-	Capital	28,019,977	23,500,332
Unamortized bond issue expenses	41,975	-		<u>\$31,540,846</u>	<u>\$29,517,244</u>
	<u>\$31,540,846</u>	<u>\$29,517,244</u>			

The notes are an integral part of these financial statements.

SIR GEORGE WILLIAMS UNIVERSITY STATEMENT OF DEFICIT FOR THE YEAR ENDED MAY 31, 1969 (with comparative figures for 1968)

	1969	1968
Net expenditures prior to June 1, 1967	-	\$285,000
Less: Receivable from the Province of Quebec against the University deficit of 1966-1967	-	177,000
Adjustment of application fees and other items	-	108,000
Retained income, beginning of year	(16,718)	-
Excess of expenses over income for the year	351,157	(16,718)
Deficit (retained income), end of year	<u>\$ 334,439</u>	<u>\$(16,718)</u>

STATEMENT OF CAPITAL FOR THE YEAR ENDED MAY 31, 1969 (with comparative figures for 1968)

	Balance June 1, 1967	Receipts for the year	Balance May 31, 1968	Adjustment to prior year	Receipts for the year	Balance May 31, 1969
Provincial Government capital grants	\$12,910,000	\$3,630,000	\$16,540,000	\$ -	\$3,565,000	\$20,105,000
University building fund campaign receipts	4,514,591	536,646	5,051,237	428,201	399,612	5,879,050
Canada Council grants	998,778	11,516	1,010,294	-	-	1,010,294
University property fund	328,388	170,285	498,673	-	109,567	608,240
Canadian University Foundation	339,502	-	339,502	-	-	339,502
Other	49,479	11,147	60,626	-	17,265	77,891
	<u>\$19,140,738</u>	<u>\$4,359,594</u>	<u>\$23,500,332</u>	<u>\$428,201</u>	<u>\$4,091,444</u>	<u>\$28,019,977</u>

The notes are an integral part of these financial statements.

SIR GEORGE WILLIAMS UNIVERSITY STATEMENT OF INCOME FOR THE YEAR ENDED MAY 31, 1969 (with comparative figures for 1968)

INCOME			EXPENSES		
	1969	1968		1969	1968
University			University		
Tuition fees	\$ 5,134,699	\$ 4,712,908	Academic	\$ 6,666,730	\$ 5,166,204
Province of Quebec operating grants	6,072,090	5,036,789	Library	1,244,950	1,133,852
Miscellaneous fees	519,135	157,199	Registrar	450,816	456,710
Interest	58,005	75,208	Computer Centre	273,633	177,953
Donations	5,761	29,935		8,636,129	6,934,719
Other	90,415	121,601	Administration (Note 5)	1,284,046	955,396
	<u>11,880,105</u>	<u>10,133,640</u>	Physical plant	1,857,068	1,720,910
Schools			Student services	489,718	432,875
Tuition fees	489,179	475,224		<u>12,266,961</u>	<u>10,043,900</u>
Donations	7,235	28,000	Schools		
	<u>496,414</u>	<u>503,224</u>	Academic and administration	448,647	499,502
Scholarships	24,973	23,637	Scholarships	24,973	23,637
Assisted research	192,687	99,290	Assisted research	192,687	99,290
Auxiliary Services			Auxiliary Services		
Bookstore	790,611	758,928	Bookstore	801,828	848,972
Food service	608,323	616,131	Food services	609,174	602,831
	<u>1,398,934</u>	<u>1,375,059</u>		<u>1,411,002</u>	<u>1,451,803</u>
Total Income	13,993,113	12,134,850			
Excess of expenses over income for the year	351,157	(16,718)			
	<u>\$14,344,270</u>	<u>\$12,118,132</u>		<u>\$14,344,270</u>	<u>\$12,118,132</u>

The notes are an integral part of these financial statements.

1. Separation from the Young Men's Christian Association

As at June 1, 1967 the assets and liabilities and the results of the operations of Sir George Williams University became separate from those of The Young Men's Christian Association of Montreal and ceased to be accounted for as part of the activities of the Association. No formal approval has been given by the University on the separation and as a result the deficit of the University and the amount due from the Association may be subject to change.

2. Accounts Receivable

The detail of the Accounts Receivable is as follows:

	1969	1968
Tuition fees	\$592,134	\$399,551
Province of Quebec Grant	59,000	118,000
Young Men's Christian Association	110,269	171,915
Other	212,045	199,731
	<u>\$973,448</u>	<u>\$889,197</u>

3. Insurance Claim

On February 11, 1969 the computer center and related properties suffered substantial damage. To date, insurance claims which are to be based on the replacement cost of the damaged assets have not been finalized.

The detail of the insurance claims receivable at May 31, 1969 is as follows:

Original cost of the computer and related equipment	\$1,050,000
Building renovation costs incurred to May 31, 1969	184,334
	<u>\$1,234,334</u>

Subsequent to May 31, 1969, \$1,200,000 was received as partial settlements of these insurance claims.

4. Bond Issue

On October 15, 1968, the University issued \$1,100,000 7 3/4% First Mortgage Series "A" Bonds, secured by a first charge on the Henry F. Hall building and contents. These bonds and the related interest are to be repaid out of monies voted yearly by the legislature of the Province of Quebec. At May 31, 1969, an amount of \$263,321 being the unexpended balance of the proceeds of the bond issue is held by the trustee to be used only for capital additions.

5. Administration expenses

Included in the administration expenses for the year ended May 31, 1969 are expenditures of \$217,074 incurred in connection with hearings resulting from a charge against a faculty member and in connection with the events referred to in Note 3. These expenditures are not recoverable under the terms of the insurance carried.

AUDITORS' REPORT

Sir George Williams University.

We have examined the balance sheet of Sir George Williams University as at May 31, 1969 and the statements of income, retained income and capital for the year then ended. Our examination includ-

ed a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

The transactions outlined in Note 1 to

the financial statements have not yet been resolved. Accordingly the deficit and the amount due from The Young Men's Christian Association of Montreal may change when final agreement is reached.

Subject to the resolution of the above, in our opinion these financial statements present fairly the financial position of the University as at May 31, 1969 and the re-

sults of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Touche Ross & Co.

Chartered Accountants

Montreal, Que., November 14, 1969.

AMENDMENTS TO CODE OF STUDENT BEHAVIOUR

These amendments went into effect on December 15, 1969.

Page references are to the "Code of Student Behaviour" as published in "Information for Students 1969-70".

pg. 49 col. 2

Insert the following overline immediately above the paragraph beginning "2. SCHOLASTIC OFFENCES":

SUBSTANTIVE OFFENCES OF A DISCIPLINARY ORIGIN

pg. 50 col. 1

The heading "2. Scholastic Offences" and the first paragraph immediately following is deleted.

pg. 50 col. 1

The following is inserted in the place formerly occupied by the heading "2. Scholastic Offences" and the paragraph deleted above:

2. Scholastic Offences and Socio-Academic Offences

Complainants must sign a statement (obtainable from the Administrator of Codes) declaring the substance of the offence allegedly committed and all the circumstances therein involved, which shall be registered by the Administrator of Codes. The form to be completed must contain a declaration that all the foregoing presents relating to the charge are true.

Upon receipt of a charge, the Administrator of Codes shall forward the charge to a standing Preliminary Hearing Committee, composed of one day student appointed by the Students' Association, one evening student appointed by the Evening Students' Association, and one faculty member appointed by University Council. The Preliminary Hearing Committee shall investigate the charge and either declare the charge unwarranted, or if warranted refer it to the appropriate tribunal as outlined in the Code of Student Behaviour. It shall be the responsibility of the complainant to lay before the Preliminary Hearing Committee evidence dealing with the substance of the charge. In carrying out this function, the Preliminary Hearing Committee shall examine the sufficiency of the evidence and may call witnesses. Upon conclusion of the inquiry which must be concluded within seven days of the laying of the charge, the Preliminary Hearing Committee shall deliver its written opinion within three days to the Administrator of Codes.

If the Preliminary Hearing Committee is of the opinion that there are no grounds to proceed with the charge, the case shall be considered closed. If the Committee is of the opinion that there are grounds to proceed with a charge, the Administrator of Codes shall summon the defendant within three days of receipt of the opinion.

The Administrator of Codes shall then require the defendant to plead guilty or not guilty to the charge.

If the defendant pleads not guilty, a date shall be set by the Administrator of Codes, the period not to exceed twenty-one days, for the convening of a tribunal to hear the case.

If a defendant pleads guilty to the charge, the Administrator of Codes shall convene a tribunal within three days so that a sanction may be applied. The tribunal shall be provided with a copy of the

original charge. The tribunal may deliver its sanction at the convening of the first session or retire to consider more fully. The tribunal must deliver its sanction within three weeks of its being convened.

pg. 50 col. 2

The heading "3. Socio-Academic Offences" and the first paragraph immediately following is deleted.

pg. 51 col. 1

The paragraph immediately following the heading "Procedural Rules" is amended to read as follows:

The following rules shall be applicable to all bodies judging student conduct referred to in the classes of behaviour herein as "Scholastic Offences and Socio-Academic Offences":

pg. 51 col. 2

Item "o" is amended to read as follows:

- All witnesses are subject to cross-examination.

pg. 51 col. 2

Item "q" is amended to read as follows:

- Each committee shall have a chairman who shall be appointed by the members of that committee, and the chairman shall identify himself at the commencement of the hearing.

pg. 51 col. 2

The following is inserted as a new item "t":

- At the conclusion of the questioning of the last witness of the defendant, concluding arguments shall be presented, first by the complainant and finally by the defendant. There shall be no right of rebuttal.

pg. 51 col. 2

The present items "t" and "u" are relettered "u" and "v" respectively.

pg. 51 col. 2

The following items are added immediately after the above items:

- All witnesses must swear an oath of solemn affirmation, violations of which may be punishable under the provisions of Article 24.
- Councils, Courts and Committees shall reconvene no more than sixty days after the conclusion of the hearing to render a decision in writing and to set the sanction if necessary.

pg. 54 col. 2

The following article is added to the Code: Article 24

Every student who with intent to deceive makes a false declaration in giving evidence, is guilty of an offence and is liable i. to have his student privileges restricted, or, ii. to be suspended from the University.

pg. 56 and 57

A box is inserted before the boxes on each page, as follows:

PRELIMINARY HEARING COMMITTEE
Composition: 2 students (1 appointed by the Students' Association, 1 appointed by the Evening Students' Association)
1 faculty member (appointed by University Council)

pg. 56 and 57

The word "dismissal" is deleted wherever it appears.

pg. 57

In the box titled "Student Court", "Original Jurisdiction" is amended to read as follows:

Original Jurisdiction: Offences not leading only to suspension or expulsion and offences under Article 8.

Silver resigns

The resignation of Mr. Jack Silver, manager of the bookstore, presented in his letter of August 15, 1969, has been accepted effective December 31, 1969.

Pending a decision and action on the recommendations of the task force which reviewed the bookstore, Miss Margaret MacMurray will be in charge of its day-to-day operation.

LETTERS

Sir:

I disagree with the recommendations of the committee on the future operations of the Bookstore. Far from giving us a better service, they promise to exacerbate the very irritations that led to all this Bookstore turmoil in the first place.

Ever since I was a freshman thirty years ago, I have heard complaints (always bitter) about university bookshops. In 1939, the argument was that private booksellers were growing fat and rich on text-book profits, and providing inefficient service. The favoured solution was to establish non-profit university or student-owned shops. No sooner was this done than exactly the same complaints began to be heard about the new operation. Now, in 1969, the whirlygig of time has brought us back to square one of this particular monopoly game. I suggest that the following propositions represent a more realistic context for planning than the principles which seem to have governed the committee:

- The bookstore offers a service which is essential to the teaching function of the university. This is a matter not only of selling textbooks at the beginning of term but also of stocking a wide variety of recommended paperbacks at all times - many of which sell very slowly.
- Student rage is chiefly directed at the price of books - a factor over which retail outlets have minimal control.
- The Bookstore has had to operate under almost intolerable conditions for the past ten years. Even its bitterest enemies admit that.

- As an onetime departmental chairman in a field which makes heavy demands upon the bookstore, I have always found the staff reasonably efficient under trying circumstances. The current tendency to assign collections of paperbacks instead of single hard-covered texts makes the whole operation more complicated than it used to be - Canadian rights, out-of-print titles, confusions about dealers are only some of the difficulties. I have found that those who get their orders in early enough, usually escape serious difficulties.

- Our bookshop should exist for service rather than profit. Whatever its alleged deficiencies, I believe the present staff is only too anxious to serve. It is unlikely that this will be the primary motive of some outside concession holder.

I have often been irritated by aspects of the bookstore operation, but it has never deserved the hostility and scorn that has been directed at it. Most of the charges which prompted the original bookstore fracas in 1967 were proven false. Many of the "reforms" which were subsequently foisted upon the operation have been flops. (If there were space, I would list them). Perhaps the correct solution to the "problem" is to take quiet, unsensational steps to assure greater administrative efficiency - but not to disband a team which has learned through many battles how to operate a bookstore under the worst possible circumstances.

Neil Compton

Task Force on Publications Calls for Briefs

The task force set up by the Principal to develop proposed policies regarding the publication and distribution of publications within the University is now meeting. The task force would like to receive briefs from any members of the SGWU community who wish to present their views to it; briefs, which should be addressed to the Chairman, Dr. S.G. French (H-633-1) should be received by January 21, 1970.

The other members of the task force are William Condry, Associate Professor Malcolm Foster, Norman Lazare and Michael Sheldon.

The mandate of the task force covers the following topics:

- The status and purpose of newspapers and other publications published or distributed within the University community.
- The responsibility and authority of student associations and other bodies for publications published or distributed under their auspices at the University.
- Definition of editorial freedom and responsibility.
- The control of material offensive to the University community by reason of bias or prejudice associated with race, colour, creed or ethnic origin.
- Identification of material that should be treated as confidential in the interest of the University community.
- Means of affirming the voice of University opinion with regard to University publications, e.g. establishment of a University Publications Board.

THE WEEK AT SGWU

MONDAY 12

CHANNEL 4: "Communications and Education" - a series of videotaped lectures by Prof. Charles Siepman, N.Y.U.; this week "Propaganda: International and Domestic" at 10, 10:30 a.m., 2 and 2:30 p.m. through Friday on classroom monitors.

"CAN YOU ALL HEAR AT THE BACK?": "Try to find a place to stand", a program on the space problem at Sir George on University channel 9 at 10, 11 a.m., 1, 3 and 6 p.m. Monday through Friday.

TUESDAY 13

GEORGIAN FILM SOCIETY: The year 2440 as seen in 1940 by spaced-out Buck Rogers in H-110 at 1:15 to 2:15 p.m. with a selection of shorts of the period and door prizes all for 25c.

WEDNESDAY 14

COMMUNICATIONS COMMITTEE: Meeting in H-762-1 at 5:30 p.m.

THURSDAY 15

CONSERVATORY OF CINEMATOGRAPHIC ART: Gary Cooper Festival starts tonight with "High Noon" (Fred Zinnemann, 1952) with Grace Kelly, Gary Cooper and Katy Jurado at 7:00 p.m.; and "Meet John Doe" (Frank Capra, 1941) with Barbara Stanwyck, Gary Cooper, Walter Brennan and Edward Arnold at 9:00 p.m. in H-110. 50c for students, 75c for non-students.

GEORGIAN FILM SOCIETY: Buck Rogers in H-110 at 1:15 to 2:15 p.m. (also Tuesday)



Gary Cooper in *High Noon* - H-110 at 7 p.m. on Thursday, January 15.

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first charge on the Henry F. Hall Building and contents was made. The unexpended balance of proceeds of that issue is held by a trustee to be used only for additions to fixed assets. Its balance is identified in the classification cash-restricted. The issuance costs associated with the mortgage, \$41,975, are shown as a deferred charge on the asset side of the balance sheet. In that year also a temporary bridging bank loan of \$4,116,160 was paid-off out of the receipts for the year of permanent capital.

The remaining significant source of capital funds was the operating fund. The balance sheet of this fund contains decision variables of the operating budget that carry-over to subsequent periods. The operating budget, as its title implies, links the output of educational and auxiliary services to be provided; the proceeds therefrom in fees, grants, donations, and operating profits; and the cost of factorial inputs of human and material resources for faculty, library, computation, staff, scholars, and research. The details of the planned output/input are contained in the budget that is submitted to the Department of Education. It is a document that is drafted with a great number of sub-classifications to accommodate the different allocation formulas that have been devised to assess need.

Small operating deficit

The actual output/input for the period is revealed in the accompanying summary Statement of Income for the Year ended May 31st, 1969. It reveals that the university's operating expenses exceeded its income by \$351,157. Of this excess, \$217,074 was incurred in connection with the computer centre fire and the hearings of a charge against a faculty member. This last, hopefully, is a non-recurring item. The remainder, which presumably will be recurring if the university is to maintain a standard of service, is within approximately 1 per cent of total revenue. Which evidences a high level of skill in financial management.

The fate of the deficit of the operating budget is revealed in the balance sheet of the operating fund. It, along with other operating items that will affect subsequent periods such as cash and marketable securities, accounts receivable, inventories, and prepaid expenses, are listed as resources which temporarily must be financed.

The sources of funds for the operating fund are all short term. Chartered banks normally are the major source of such financing. But in 1969 this source, which normally involves negotiation, was superseded in amount by a source which, within

FRIDAY 16

ARTS FACULTY COUNCIL: Meeting in H-635 at 2:30 p.m.

CONSERVATORY OF CINEMATOGRAPHIC ART: "Bright Leaf" (Michael Curtiz, 1950), with Laureen Bacall, Gary Cooper and Patricia Neal at 7:00 p.m.; "For Whom the Bell Tolls" (Sam Wood, 1943), with Ingrid Bergman, Gary Cooper and Akim Tamiroff at 9:00 p.m. in H-110.

HOCKEY: Bishop's vs. Sir George at Loyola, 8:00 p.m.

ENGLISH DEPARTMENT: Frank Davey, Poet-in-Residence, speaks on "A poetic, for love" at 2:15 p.m. in H-539-1.

QUANTITATIVE METHODS DEPARTMENT: Prof. John W. Abrams, University of Toronto, speaks on "Organization Practice and Implementation of Operational Research" in N-408 at 10:30 a.m.

GEORGIAN SNOOPIES: An introduction to aviation with an evening of films and guests from CFCF and Air Canada at 8:30 p.m. in H-435. Admission free; tickets available at Hall Building information desk from Jan. 12.

SATURDAY 17

CONSERVATORY OF CINEMATOGRAPHIC ART: "Task Force" (Belmer Davies, 1943) with Jane Wyatt, Gary Cooper, Walter Brennan and Julie London at 7:00 p.m.; "Hanging Tree" (Delmer Davies, 1959) with Maria Schell, Gary Cooper, Karl Malden and George Scott at 9:00 p.m. in H-110.

HOCKEY: Sherbrooke vs. Sir George at Université de Montréal, 8:15 p.m.

BASKETBALL: Royal Military College vs. Sir George at McGill, 12:30 p.m.

SUNDAY 18

CONSERVATORY OF CINEMATOGRAPHIC ART: "Dallas" (Stuart Heisler, 1950) with Ruth Roman, Gary Cooper and Steve Cochran at 7:00 p.m.; "The Fountainhead" (King Vidor, 1949) with Raymond Massey, Gary Cooper and Patricia Neal at 9:00 p.m. in H-110. 50c for students, 75c for non-students.

LIBRARY HOURS

The hours during which the University libraries and study areas will be open during the spring session (January 4 - April 30) will be as follows:

Main Library, Norris Building

Monday to Friday 8:30 a.m. - 10:45 p.m.
Saturday 8:30 a.m. - 8:30 p.m.
Sunday 10:00 a.m. - 6:00 p.m.

Science and Engineering Library, Hall Building

Monday to Friday 8:30 a.m. - 10:45 p.m.
Saturday 8:30 a.m. - 8:30 p.m.
Sunday Closed

Study Rooms, Hall Building

Rooms 431, 437 and 1227 are open subject to Hall Building operating hours.

constraints, can be stretched without prior negotiation -- the classification accounts payable and accrued liabilities. The bank and the last mentioned source accounted for 76 per cent of the funds. Of the remainder the classification unearned tuition fees -- which is not a negotiated obligation to repay funds but to render educational services in the future (normally summer courses) without additional receipts -- accounted for another 14 per cent. The remaining 10 per cent was financed by research funds and funds held in trust.

Although the classification retained income is on the liability side, it is not a source of funds for the operating fund. This is because it is in deficit. It states that a portion of the fees and grants of this period have not been used to finance subsequent periods. Indeed the state is the converse, that funds have had to be raised from temporary sources to supplement the fees and grants of the period. Thus future grants will have to be sought for the purpose of reimbursement.

Despite its deficit position, the operating fund has been a source of financing for the capital fund. This is bridging financing until capital grants are received or long-term security obligations are is-

sued. In the interim the capital budget is being partially financed from the short-term sources of the operating fund.

Financial management obviously involves more than the preparation of financial statements. But the strands that are used to weave the pattern of activities in the university are rooted in the classifications of these statements. The skill with which the classifications are used in the raising of funds and their allocation reflect the foresight, the prudence, and the risk profiles of the people making the choices. Happily a performance review of the statements for fiscal 1969 shows no evidence of lack of skill in terms of flexibility, timing, or use.

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